

C. Component Units:

The carrying value of cash and cash equivalents of the Component Units as of June 30, 1996, was \$128,892,000 most of which is pooled by the State. As of June 30, 1996, the carrying amount of the Component Units' bank deposits was \$5,799,000. The bank balance was \$9,725,000, of which \$9,400,000 was covered by depository insurance or was collateralized by a pledge of United States Treasury obligations held by Federal Reserve banks and \$325,000 was uninsured and uncollateralized.

Investment accounts established by higher education institutions relate principally to endowments and trust accounts required by debt instruments. In general, endowment resources can be invested in debt and equity securities, and trust accounts can be invested only in debt securities. These investments include U.S. Treasury and agency obligations, certificates of deposit, commercial paper, repurchase agreements, banker's acceptances and money market funds.

The Maryland Stadium Authority's marketable securities are held by the Bond Trustee. Proceeds to purchase these marketable securities were derived from various bond issues and any proceeds from the sale of these marketable securities are restricted to the purpose of the originating bond issue.

The investments of the Maryland Environmental Service (Service) primarily relate to bond indentures. The Service or its trustee banks are authorized to invest assets related to bond indentures in obligations of the United States of America, any Federal Agency, high quality commercial paper or mutual funds that invest in U.S. government securities. Additionally, the Service may otherwise invest in securities allowed by the State.

Investments of the Maryland Stadium Authority, Maryland Environmental Service, Maryland Industrial Development Financing Authority, and the higher education institutions are stated at cost, adjusted for amortization of premiums and accretion of discounts.

The investments as of June 30, 1996, for the discretely presented Component Units are as follows (amounts expressed in thousands).

	Category			Carrying Value	Market Value
	1	2	3		
U.S. Treasury and agency obligations	\$110,955	\$3,956		\$114,911	\$114,869
Corporate debt securities	4,278	740		5,018	5,053
Corporate equity securities	41,469			41,469	83,355
Mortgage backed securities	1,144			1,144	1,173
Other	5,035			5,035	5,010
	<u>\$162,881</u>	<u>4,696</u>		<u>167,577</u>	<u>209,460</u>
Mutual funds				10,617	10,617
Other				5,110	5,110
Total				<u>\$183,304</u>	<u>\$225,187</u>

5. Taxes Receivable:

Taxes receivable, as of June 30, 1996, consists of the following (amounts expressed in thousands).

	Funds			
	General	Special Revenue	Debt Service	Trust and Agency
Income taxes	\$257,645			\$137,515
Sales and use taxes	221,210			
Transportation taxes, principally motor vehicle fuel and excise		\$69,211		
Unemployment compensation taxes				151,130
Other taxes, principally alcohol, tobacco and property	10,860		\$6,093	
	<u>489,715</u>	<u>69,211</u>	<u>6,093</u>	<u>288,645</u>
Less allowance for doubtful accounts	648			57,493
Taxes receivable, net	<u>\$489,067</u>	<u>\$69,211</u>	<u>\$6,093</u>	<u>\$231,152</u>